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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001033

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E.O. 12958: DECL: 09/25/2017
TAGS: [PREL](#) [EPET](#) [PBTS](#) [UK](#) [AJ](#) [TX](#)
SUBJECT: TURKMENISTAN: PRESIDENT SHOWS SOME LEG ON
TRANS-CASPIAN PIPELINE AND DELIMITATION

Classified By: Charge Richard E. Hoagland for reasons 1.4(B) and (D).

1. (C) SUMMARY: During a September 20 meeting with UK Minister of Energy Malcolm Wicks, President Berdimuhamedov for the first time expressed Turkmenistan's support for a Nabucco pipeline, and even promised to guarantee Turkmen gas reserves for the Nabucco project. This formulation, which would likely require that Turkmen gas transit a southern corridor pipeline, represents a substantial step forward in terms of expressing support for a Trans-Caspian pipeline (TCP) or other arrangement. He also stated that a TCP would require only bilateral agreement between Turkmenistan and Azerbaijan, rather than insisting on agreement of all five Caspian littoral states, showing marked movement since earlier this summer. We believe that the biggest remaining hurdle to delimitation is Turkmenistan's lack of understanding of and confidence in models for delimitation, and believe that providing the delimitation training that Turkmenistan requested from the U.S. Trade and Development Agency two weeks ago could help. END SUMMARY.

2. (SBU) UK Minister of Energy Malcolm Wicks' September 19-20 visit to Ashgabat, the first ministerial-level visit from the UK in nine years, was directed at demonstrating to all that the UK wants to put relations with Turkmenistan on a "proper level," according to UK Ambassador to Ashgabat Peter Butcher during a September 24 readout for NATO and EU Ambassadors plus Georgia's and Ukraine's. During his visit, Wicks met with President Gurbanguly Berdimuhamedov, Deputy Chairman of the Cabinet of Ministers/Foreign Minister Rashit Meredov, and Deputy Chairman of the Cabinet of Ministers for Oil and Gas Tachberdi Tagyev and Turkmengas Chairman Yagshygeldi Kakayev. Wicks' predecessor, Lord Truscott, originally planned to make the visit, but responsibility devolved to Wicks following the recent government changes in London.

BERDIMUHAMEDOV EXPRESSES SUPPORT FOR NABUCCO

13. (C) Butcher reported that Wicks' meeting with Berdimuhamedov had been positive, particularly on southern corridor pipelines. When Wicks asked the president about the potential for Turkmenistan to sell gas through the Nabucco pipeline, Berdimuhamedov, who had never before even mentioned the Nabucco pipeline, went well beyond his usual formulation that a Trans-Caspian pipeline (TCP) remains on the agenda, saying that, Turkmenistan is ready to create conditions for the Nabucco project to begin. He also told Wicks that Turkmenistan is ready to guarantee reserves that would be available for the Nabucco project. (COMMENT: Berdimuhamedov's ability to discuss the Nabucco pipeline in fact may have been prompted by his recent meeting in Ashgabat with Austrian Minister of Economy and Labor Martin Bartenstein, who visited the region to stump for Nabucco. END COMMENT.)

...BUT CRITICIZES LACK OF CLARITY IN EUROPEAN ENERGY POLICY

14. (C) Notwithstanding the president's stated interest in seeing Turkmenistan's gas flow through the Nabucco pipeline, he criticized the lack of clarity in the European position on this pipeline and about Europe's energy policy in general. As he has in meetings over the summer with U.S. visitors, Berdimuhamedov accused the European countries of talking, but without providing the "substantive and practical" plans that Turkmenistan needs to make a decision and take action. Wicks responded that he would take Berdimuhamedov's thoughts back and seek to ensure a clearer presentation of European policy on these issues.

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PRESIDENT STATES TCP ONLY NEEDS BILATERAL AGREEMENT

15. (C) According to Butcher, Berdimuhamedov also told Wicks that, while Turkmenistan still has delimitation issues with Azerbaijan and Iran, those issues are being dealt with. Turkmenistan and Azerbaijan have formed a joint commission to work on these issues, which has made good progress and would next meet in Baku the week of October 24. The president also stated that a TCP does not require agreement by all five Caspian littoral states and could be constructed on the basis of a bilateral agreement between Azerbaijan and Turkmenistan. Foreign Minister Meredov, whom other diplomats have indicated does break into the discussion if the president is going off the reservation, was silent throughout these comments.

16. (C) Meredov separately told Wicks that Turkmenistan will continue to sell its gas at the border. However, on delimitation, he asked, where is the border in this case, and then listed a number of different models for delimiting sea and lake borders and sharing resources. Butcher also told the Charge although Wicks had traveled to Baku following his meetings in Ashgabat, he had not conveyed any messages from leaders in Ashgabat.

17. (C) COMMENT: Turkmenistan's delimitation policy clearly is evolving. As recently as June, Berdimuhamedov was still discussing the need to receive agreement from all five Caspian littoral states for the construction of a TCP. We are encouraged by his willingness to state now that only bilateral agreement is needed, and believe that the major factor still hampering further flexibility on Turkmenistan's side is a lack of knowledge and confidence. If the U.S. Trade and Development Agency can follow up on Turkmenistan's recent request for delimitation training for the State Agency for Management and Use of Hydrocarbon Resources, we may find even more willingness within the government to consider new alternatives. END COMMENT.
HOAGLAND